



# MEMORANDUM

**PSC**

Agenda Item No. 8 (D)

**TO:** Honorable Chairperson Barbara  
Carey-Shuler, Ed.D and Members,  
Board of County Commissioners

**DATE:** May 18, 2004

**FROM:** George M. Burgess  
County Manager

**SUBJECT:** Report on Urgent/Non-Urgent Transportation Issue

The attached ambulance transportation services timeline along with the two related agenda items address the issues raised by Commissioner Martinez in his May 13, 2004 memo regarding emergency and non-emergency transportation issue.

Per the action of the Board of County Commissioners on May 13, 2004, the contract with AMR for ambulance services has been extended to prevent any interruption of service. The companion item 11(A)4 was deferred by the Board to the May 18, 2004 Public Safety Committee.

As stated on the record on May 13, this administration has taken ownership and is resolving this issue. I do not like to place late items on the agenda for Board consideration.

Susanne M. Torriente  
Assistant County Manager

## **Ambulatory Transportation Services CONTRACT HISTORY/TIMELINE**

### **Service**

**Requirement:** To provide ambulance services and non-emergency medical transportation at the lowest possible cost to County. To provide urgent and non-urgent ambulance service to Miami-Dade Fire Rescue, City of Miami Fire Rescue, City of Coral Gables Fire Rescue, City of Miami Beach Fire Rescue and City of Hialeah Fire Rescue. In addition, Miami-Dade Police, Miami-Dade Corrections, and Health Care Centers are users of the contract.

### ***Regulatory Background of Ambulance Services***

- In 1955, Randle Eastern Ambulance Service began providing private ambulance service in Dade County.
- In 1972, Resolution R-1661-72 formalized County's role in medical emergency response.
- In 1979, Medi-Car Ambulance Service started providing ambulance service.
- Florida Medi-Van entered the market in 1990 with six vehicles.
- In 1990, the Board directed by resolution the establishment of a committee to recommend criteria for when there is a need for additional private ambulance service and to review the ambulance ordinance for any additional amendments to the Code.
- Between 1991-1994, the Private Ambulance Service Study (PASS) Committee convened on 27 occasions. The committee's deliberations resulted in the inclusion of the requisite calls-to-car ratio of 6:1 as a threshold for authorizing additional ambulance companies or additional vehicles. The Board of County Commissioners adopted the committee's recommendation via Ordinance 94-93.

### **May 1, 1996**

- At this time, AMR was the only company able to provide Emergency and Non-emergency Ambulance Service and Non-emergency Medical Transportation Vehicle Service.
- Contract with Metro Ambulance Service d/b/a American Medical Response (AMR) went into effect on May 1, 1996. The contract term was 5 years, ending on April 30, 2001.
- The contract provided for an additional 5 year extension, ending April 30, 2006, through formal amendment. To exercise this option, the contract required that the County Manager notify AMR in writing twelve (12) months prior to the termination date. In addition, the contract required that AMR notify the County Manager in writing ten (10) months prior to the termination date of their acceptance or rejection of the extension. (As detailed later in this timeline, this never occurred).
- The contract essentially provided for four groups of services:
  - secondary response (urgent and non-urgent care) services for Fire Rescue and municipalities needing such support;
  - ambulance response for County and municipal police departments, including Miami-Dade Corrections;
  - interfacility transfer and neno-natal pediatric interfacility transfers for all Public Health Trust facilities; and
  - non-urgent services for PHT and other indigent care providers.

- The contract required payment from the County at set rates with a consumer price index increase. The County currently pays the vendor for every call made to vendor: from Fire Rescue \$43.71 per response; all other services cost \$67.96, plus \$3.42 per mile.
- In addition to the fees that the County pays to vendor, the vendor seeks recoveries from patients and/or third parties (e.g. private insurance, Medicaid and Medicare) of all charges. The County is entitled to recover its payments for other than AMR's secondary response services for Fire Rescue.

#### **April 1998**

- Several workshops were held during which Consumer Services Department (CSD) staff was directed to conduct a market analysis relating to ambulance service, in conjunction with the Health Council of South Florida.

#### **May 1998 to March 2001**

- Additional workshops were conducted by the Board. CSD staff was directed to review the ambulance ordinance provisions, including the mechanisms for entry into the ambulance service.

#### **October 1998**

- Contract oversight was transferred from Consumer Services to the Office of Emergency Management, under Chief Lanza.

#### **May 2000**

- Both OEM, and AMR **did not** exercise the option to extend the contract, per the contract terms. Therefore, contract was set to expire on April 30, 2001 and option to extend was forfeited.
- Companies providing this service, other than AMR, began to emerge. There was an opportunity for competition.

#### **March 8, 2001**

- The Board adopted a revised ambulance ordinance (Ordinance No. 01-38) which among other things, enhanced application, operating and enforcement standards for ambulance service; provided for benchmark response times; established a Small Business Enterprise Ambulance Certificate; and provided a methodology for companies to add units after commencing operations.
  - The revised ordinance changed the market entry criteria for private ambulance providers by removing a 6:1 threshold calls-to-car criterion for adding new ambulance service or increasing the number of existing units, and provided for a triennial market analysis as the mechanism to assess the quality of private ambulance service and to determine whether there is a need for issuance of additional private ambulance certificates.
  - The ordinance further provided that applications for private ambulance service, on file as of June 1, 2000, would be reviewed in accordance with the new application standards.
  - Consequently, in July 2001, the Board approved three (3) new ambulance operators: MCT Express d/b/a Miami-Dade Ambulance, American Ambulance and Medics Ambulance.

**April 12, 2001**

- At the April 12, 2001 BCC meeting, the issue of the contract expiration was discussed, including the fact that the option to renew was never exercised.
- Commissioner Carey-Shuler instructed staff to provide an opportunity for small business participation in the process. This motion was seconded by Commissioner Ferguson, and passed by a vote of 9-0 (Commissioners Alonso, Moss, Morales and Souto were absent).

**April 24, 2001 – *First Amendment***

- The Board waived the competitive selection process and approved a contract amendment with AMR, maintaining existing objectives, compensation, and requirements for the period of May 1, 2001 to April 30, 2002.
- The amended contract also provided for an additional one-year contract extension (May 1, 2002 to April 30, 2003) via Board resolution.
- Staff advised the Board that this contract extension would allow for the review of expanded opportunities for inclusion of small business enterprises.

**July 2001**

- The Board approved three (3) new ambulance operators: MCT Express d/b/a Miami-Dade Ambulance, American Ambulance and Medics Ambulance.

**April 23, 2002 – *Second Amendment***

- Although directed by the Board, during the 2001-02 contract term, staff did not review opportunities for inclusion of small business enterprises.
- Therefore, the Board exercised its one year option to renew and approved a contract amendment, maintaining existing objectives, compensation, and requirements for the period of May 1, 2002 to April 30, 2003.
- The item stated that this new extension would give staff sufficient time to complete competitive bidding documents for the contract and for participation by small business enterprises.

**May-Dec 2002**

- OEM, Fire, Procurement and the County Attorney's Office prepared a new Invitation To Bid (ITB) for Medical Transportation Service.

**December 23, 2002**

- The new ITB was advertised and was set to open on January 29, 2003.
- It is expected that the ITB could result in significant cost savings to the County.
- The new ITB divides the four types of services into "Groups" to allow for small business participation.
- In *Group One of the ITB*, for secondary response services, and Group Three, for interfacility transfers and neonatal transfers for PHT and other indigent care facilities, the County could collect a fee for referring a call to a vendor, instead of the County paying the vendor.

**January 7, 2003**

- DPM receives letter from American Ambulance Service, Inc. stating concerns about the ITB.

**January 22, 2003**

- Addendum Number One was issued postponing ITB opening.

**January 23, 2003**

- Attorneys for AMR spoke before the BCC in objection to the new ITB.
- AMR attorneys claimed that collection terms of GROUP ONE of the new ITB violated federal anti-kick back laws because the County would now increase the calls for service to the vendor (s) since the County was collecting a referral fee.

**February 13, 2003**

- Addendum Number Two was issued postponing ITB opening.

**March 12, 2003**

- Addendum Number Three was issued postponing ITB opening.

**April 16, 2003**

- Addendum Number Four was issued postponing ITB opening.

**April 22, 2003 – *Third Amendment***

- Since ITB was still open, OEM staff moved forward with amending the current contract with AMR to buy more time.
- The Board waived the competitive selection process and approved a contract amendment with AMR, maintaining existing objectives, compensation, and requirements for the period of May 1, 2003 to April 30, 2004.

**May 2003**

- OEM requested an audit of the ambulance contract by Audit and Management Services.
- In consultation with the County Attorney's office, decision was made by OEM to request an opinion from the Federal Office of Inspector General, Department of Health and Human Services, regarding Group One.

**May 9, 2003**

- Chief Lanza left County service. Chief Carlos Castillo assumed the director position at OEM.

**May 12, 2003**

- The ITB was suspended (via the ITB's 5<sup>th</sup> addendum).

**July 24, 2003**

- County Attorney's Office submitted its "Request for Advisory Opinion" from the Federal Office of Inspector General regarding the ITB.

**August 27, 2003**

- County Attorney's Office advised OEM that the Federal OIG received the County's Request for an Opinion and that it could take around 18 months before an opinion is issued.

**Sept 12, 2003**

- An Interim Audit Report for the Emergency Ambulance Services Contract was forwarded to the Mayor and Board advising that a full audit was scheduled to begin late October 2003.

**October 2003**

- OEM was transferred from the Fire department to the County Manager's Office. Responsibility for monitoring the ambulance contract remained with OEM.

**October 31, 2003**

- The Public Health Trust starts its own contract with AMR and ceases using the existing County contract with AMR for services for PHT facilities.

**November 20, 2003**

- County Attorney's Office (CAO) contacted OEM to advise that the chief attorney at the OIG was working on the advisory opinion and would do her best to expedite it.

**January 29, 2004**

- County Attorney's Office advised OEM that the attorney in OIG responsible for drafting the opinion said that the opinion may not be completed until June.

**February 2004**

- The Health Council of South Florida conducted a Market Analysis which concluded that a high quality of ambulance service is being provided by private companies in Miami-Dade County and that there is no need for expansion of providers.

**April 1, 2004**

- A meeting is held with OEM, DPM, CAO, and MDFR to discuss the options for the contract about to expire on April 30, 2004.
- County Manager's Office was briefed on status of the ambulance contract.

**April 9, 2004**

- The County Manager's Office begins to coordinate with all departments, review options and begins to reach out to the current vendor.

**April 29, 2004**

- Vendor agrees to a month to month extension, although his preference is a full one year extension.
- Vendor is made aware that it is the County's intention to issue the pending ITB as soon as the legal questions are answered.

**April 30, 2004**

- Current contract expired on April 30, 2004.
- DPM processed an emergency extension for \$100,000 to cover the service gap from May 1 to approximately May 15, 2004.

**May 1 – 11, 2004**

- CMO, OEM, Fire Rescue, CAO and DPM work together to address this issue from several angles:

- Place the AMR contract extension on the agenda (to ensure continuity of service).
- Explore other competitive options in the event the contract extension could not be placed on the agenda by May 11. Staff developed a request for sealed quotes that could be issued on an emergency basis if the AMR contract did not get on the agenda or did not receive BCC approval.
- Develop an in-house contingency plan for Fire Rescue to provide all transport service on an emergency basis.

#### **May 11, 2004**

- Staff places items on the agenda:
  - Approval of contract extension with AMR, which was approved.
  - Approval of an expedited informal competitive process (the request of sealed quotes), which was deferred to May 18 PSC.

#### **Next Steps**

If the Public Safety Committee and the Board approve the expedited informal process, staff will test the market for competition among all qualified vendors. Five vendors have been identified as potential bidders. If the process yields savings to the County and distribution of the work, staff can cancel the month-to-month contract with AMR and enter into month-to-month contracts with the successful bidders under the new terms and conditions.

Both OEM and Fire Rescue staff, as the contract monitors and primary users, will monitor the progress of the Federal OIG opinion. Once that matter is resolved, the suspended ITB will be reactivated by DPM. The contract terms of the suspended ITB is twenty four (24) months, with an option to renew for an additional two (2) years, on a year to year basis, provided the bidder will maintain the same prices, terms and conditions, as in the current two year contract.

#### **Additional Information**

There are currently five (5) companies holding six (6) certificates:

- American Medical Response (2 certificates), 73 units
- Florida Medi-Van (1 certificate), 12 units
- American Ambulance Service (1 certificate), 22 units
- Medics Ambulance Service (1 certificate), 12 units
- Miami-Dade Ambulance Service (1 certificate), 25 units

*Sources:* Consumer Services Department, Department of Procurement Management, County Attorney's Office, Office of Emergency Management, Miami-Dade Fire Rescue Department and Legistar